

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
THURSDAY, JANUARY 26, 2006, 2:00 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present: Sen. Bill Hickman, Committee Co-Chair
Rep. D. Gregg Buxton, Committee Co-Chair
Sen. Mike Dmitrich
Rep. Roger Barrus
Rep. DeMar “Bud” Bowman
Rep. Stephen Clark
Rep. Wayne A. Harper
Rep. Fred R. Hunsaker
Rep. Michael T. Morley

Members Excused: Sen. Peter Knudson
Pres. John Valentine
Rep. Ralph Becker
Rep. Janice M. Fisher

Staff Present: Steve Allred, Fiscal Analyst
Todd Wardrop, Fiscal Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present: Rex A. Hadley, Major General, USAF (retired)
Sen. Allen Christensen, Hill Air Force Base Museum
Rep. Brad Johnson, Richfield Land purchase
Rick White, Executive Vice President, Snow College
Kent Beers, Division of Facilities Construction & Management
Rep. Dave Clark, Museum of Utah Art & History Annex
Kandance Steadman, Interim Director, Museum of Utah Art History
Sen. Dmitrich, College of Eastern Utah, Western States Energy Training Center
Ryan Thomas, President, College of Eastern Utah
Steven Burge, Interim Director, College of Eastern Utah
Michael Young, President, University of Utah
Ali Hosnain, Studentbody President, University of Utah
John Poelman, Studentbody Vice President, University of Utah
Mike Perez, Vice President, University of Utah
Kevin Walthers, Assistant Commissioner, Utah System of Higher Education
Rick Wheeler, Vice President of Advancement, Snow College

Dennis Kellen, Manager, Operations, Department of Alcoholic
Beverage Control
Keith Stepan, Director, Division of Facilities Construction and
Management
Lloyd Neeley, Maintenance Operations Engineer, Utah
Department of Transportation

A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Hickman called the meeting to order at 2:15 p.m.

1. Request for Projects - Introduction by Analyst Steve Allred

Mr. Allred explained that the first four items on the agenda would require the subcommittee to make motions to put these items on a priority list or reject. The remaining items would require the subcommittee to make motions to approve or reject.

2. Requests for Projects

a. Hill Air Force Base Museum - Major General Rex A. Hadley, USAF (retired)

General Hadley gave an overhead presentation and distributed a handout explaining the proposal to build a new gallery to provide a protective space for their historic collection and allow expansion of their educational programs. He stated that the Aerospace Heritage Foundation of Utah is seeking a partnership with the state of Utah to begin their fundraising effort that will allow them to request matching monies from other sources in the community. The total cost of the project is \$14 million, and the request is for \$7 million.

Sen. Christensen summarized the request and spoke in support of placing this project on the priority list.

MOTION: Co-Chair Buxton moved to place the Hill Air Force Base Museum project on the priority list. The motion passed unanimously with Reps. S. Clark and Morley absent for the vote.

b. Richfield Land Purchase - Rep. Brad Johnson

Rep. Brad Johnson introduced the project and turned the time over to Rick White,

Executive Vice President, Snow College, who made the presentation. The request is for \$400,000 to buy a piece of property adjacent to the Richfield Campus which is part of the master plan for the school. The property is presently in private ownership and the owner has not yet agreed to a purchase price. In addition, Mr. White stated they are requesting \$150,000 to upgrade two student labs. Rep. Johnson stated that if they were not able to use the money to purchase the property, they could use it to construct needed additional parking.

Rep. Hunsaker asked if the request for the \$150,000 to upgrade two student labs would fit as a capital improvement project. Kent Beers, DFCM, responded that the Sevier Valley classrooms were already on the list of Capital Improvements.

MOTION: Sen. Dmitrich moved to place the Richfield Land Purchase project on the priority list in the amount of \$550,000.

SUBSTITUTE MOTION: Rep. Barrus moved to place the Richfield Land Purchase project in the amount of \$400,000 for the property purchase on the priority list. The request for \$150,000 for the upgrade of two student labs would be funded by Capital Improvements. The motion passed unanimously with Rep. Morley absent for the vote.

c. Museum of Utah Art & History (MUAH) Annex - Rep. Dave Clark and Kandance Steadman

Rep. Dave Clark presented his request for \$3 million for one-time FY 2007 funding for the Museum of Utah Art & History. The funding would be used to construct a 30,000-foot annex to the Grand Gallery. These funds would be matched with \$2 million non-state sources. Rep. Clark introduced Kandance Steadman, Interim Director, MUAH, who stated that the project will be limited to the upgrade and remodeling of the existing structure at 125 South Main while providing mechanical and electrical infrastructure capable of integrating with a new future building at 127 South Main. The total estimated project cost, including soft costs, is \$3,146,603. Mr. Dale O. Zabriskie, Political lobbyist and public relations counselor, was recognized.

d. College of Eastern Utah Energy Training Center - Sen. Dmitrich, Pres. Ryan Thomas and Steven Burge

Handouts were distributed and the project introduced by Sen. Dmitrich; Ryan Thomas, President; Steven Burge, Interim Director; and Jim Huffaker, Dean of Continuing Education. Mr. Burge explained the need for a trained workforce and the proposal which would include an administration building, a warehouse building and a maintenance shop

for a total of 38,000 square feet and 500+ acres. The project request is for \$1.1 million.

Rep. Bowman spoke in favor of funding this project.

MOTION: Co-Chair Buxton moved to place the College of Eastern Utah Energy Training Center on the priority list for \$1.1 million. The motion passed unanimously.

e. Utah State University Engineering Building - Keith Stepan

Keith Stepan, Executive Director, DFCM, presented this project and distributed a handout. He stated that the proposal includes combining existing donations with previously approved state bonds of \$5,943,500 to construct an Engineering Wing which would remodel the engineering lab, to provide four new classrooms and to demolish the Engineering Classroom Building. The total required donation was \$10 million and the University has only raised \$5 million, leaving a need of \$5 million. The University is suggesting that they reduce the scope of the project so that no additional donations will be required. Mr. Stepan stated that this project is one of the top three of DFCM's buildings at risk and it should be demolished. The request is for reauthorizing existing bonds, removing restrictions on raising funds and reducing the scope of the project.

Rep. Hunsaker spoke in favor of funding this project.

MOTION: Rep. Hunsaker moved to amend the statute authorizing bonding so that Utah State University would raise \$5 million before bonds are issued. The motion passed unanimously.

3. "Other" - Funded Capital Projects

a. University of Utah Student Recreation Center - President Michael Young, Ali Hosnain and John Poelman

President Michael Young and Ali Hosnain, Studentbody President, and John Poelman, Studentbody Vice President presented the project of constructing a new 150,000 square-foot Student Recreation Center at the University of Utah. As part of the project, the existing VanCott Hall would be demolished. It is proposed that funding for this project will be through a revenue bond and private donations. The University has obtained the approval of its Trustees and the Board of Regents to seek legislative approval of a \$35 million revenue bond plus associated capitalized interest, debt service reserve, and issuance costs. The bond is to be repaid with student fees of an additional \$60 per student per semester. Private donations are being sought to limit student fees.

President Young stated that the administration is very supportive of this project.

Subcommittee members expressed concerns regarding the fact that all student fees would increase even though not all students would use the facility. There was also a concern that not all students were able to participate in the approval process.

MOTION: Rep. Harper moved to not approve the University of Utah Student Recreation Center project.

Rep. Hunsaker spoke against the motion and in favor of approving this project.

SUBSTITUTE MOTION: Rep. S. Clark moved to move to the next agenda item. The substitute motion failed with Co-Chair Hickman and Reps. Barrus, S. Clark and Morley voting in favor of the substitute motion.

The original motion passed with Sen. Dmitrich and Reps. Bowman and Hunsaker voting in opposition to the motion.

b. University of Utah College of Pharmacy Building Expansion - Mike Perez

Mike Perez, Vice President, University of Utah, stated that this project was authorized by the 1999 Legislature at a smaller scope which was then estimated at \$35.5 million for a 101,250 square foot building. As the planning proceeded, it was determined that a larger facility was needed. The current request is to construct a new 150,000 square foot facility.

Mr. Perez explained that the College of Pharmacy is one of the leading research pharmacy programs in the country, ranked 4th in the nation in overall research funding, and is currently the only producer of pharmacists in the state. The University will fund the project through private donations. The estimated State-funded O&M is \$1,327,800 which will be considered by the Higher Education Appropriations Subcommittee.

Rep. S. Clark spoke in favor of approving this project.

Kevin Walthers, Assistant Commissioner, Utah System of Higher Education, responded to questions from subcommittee members.

MOTION: Rep. Barrus moved to approve the University of Utah Pharmacy Building Expansion project. The motion passed unanimously.

c. University of Utah David Eccles School of Business Remodel/Addition - Mike Perez

Mr. Perez stated that this project will renovate the Business Classroom Building, the Kendall D. Garff Building and the Francis A. Madsen Building and will also include the construction of 25,500 square feet of new space. Funding for this project will come from private donations.

MOTION: Rep. Harper moved to approve the University of Utah David Eccles School of Business Remodel/Addition. The motion passed unanimously.

d. University of Utah Red Butte Amphitheatre & Rose Garden Facilities

This was an informational item only.

e. Snow College Traditional Building Skills Building - Rick Wheeler

Rick Wheeler, Vice President of Advancement, Snow College, presented this request to construct a new 20,000 square foot facility. The program will offer 16 workshops designed to train skilled workers in historic exterior and interior restoration. Funding for this project will come from private donations.

MOTION: Sen. Dmitrich moved to approve the Snow College Traditional Building Skills Building project. The motion passed unanimously.

f. Department of Alcoholic Beverage Control (DABC) - Dennis Kellen

Dennis Kellen, Manager, Operations, presented this request to purchase a one-acre site and construct a new 12,000 square foot liquor store to serve citizens in the Holladay and Cottonwood area; to remodel the existing Kimball Junction liquor Store and construct a 3,000 square foot addition to the building; and to remodel the existing Redwood Road Liquor Store and construct a 6,000 square foot addition to the building. Mr. Kellen stated that ABC suggests that these projects could be financed through a lease revenue bond issued by the State Building Ownership Authority. The annual debt service and additional operating costs would be funded from the increased operating revenues that ABC projects will result from new, larger stores in a better locations.

MOTION: Rep. Harper moved to approve the Department of Alcoholic Beverage Control's request for approval of three projects financed through a lease revenue bond. The motion passed unanimously.

g. Utah National Guard Camp Williams Joint Logistics Training Center - Keith Stepan

Mr. Stepan stated that this project will construct Building #4 for the Joint Logistics Training Center located at Camp Williams. The building will be constructed on state-owned property; however, funding will be provided by the Federal Government.

MOTION: Rep. Bowman moved to approve the Utah National Guard Camp Williams Joint Logistics Training Center project. The motion passed unanimously.

h. Utah Department of Transportation (UDOT) Clearfield Maintenance Station - Lloyd Neeley

Lloyd Neeley, Maintenance Operations Engineer, presented information regarding this project to construct a new maintenance station to replace the existing one in Clearfield. The funding for this project will come from the Transportation Fund.

MOTION: Rep. Morley moved to approve the UDOT Clearfield Maintenance Station project based on the approval of the Transportation Appropriations Subcommittee. The motion passed unanimously.

MOTION: Rep. Bowman moved to adjourn the meeting.

The meeting was adjourned at 4:45 p.m. by Co-Chair Hickman.

The minutes were reported by Bonnie Brinton.

Sen. Bill Hickman
Committee Co-Chair

Rep. D. Gregg Buxton
Committee Co-Chair